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A 280.3449  
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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
JUNE 1961

JUL 11 1961

Volume 5

Number 11

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-ASCS  
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY JUNE 1961

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk \$4.69, Excess Milk \$3.07. The butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0%.

During June 70.1% of the total producer milk was priced in Class I at \$5.16 per cwt. with a butterfat differential of 7.9 cents and 29.9% was priced in Class II at \$3.11 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 70.6% and 59.1% respectively. Base milk was 89.0% and excess milk was 11.0% of the total producer deliveries. All excess milk and 21.3% of base milk was priced in Class II and 78.7% of base milk was priced in Class I.

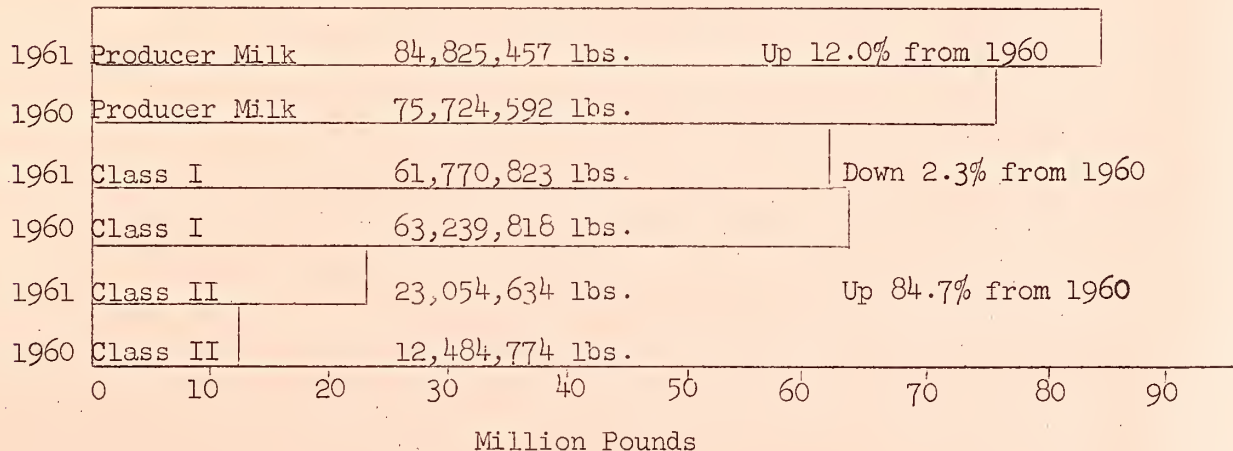
The daily average deliveries of producer milk during June decreased 7.8% compared with May and increased 18.0% compared with June 1960. The daily average use of Class I milk decreased 2.7% compared with May and decreased 0.2% compared with June 1960. The daily average base delivered was 91.1% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 5,731 - Handler Finished Products 285.

CLASS I MILK DISPOSITION PERCENTAGES BASED ON PLANT REPORTS FOR MAY OF EACH YEAR

	1957	1958	1959	1960	1961
Class I Units - % Wholesale	79.1	76.9	78.0	78.7	81.5
- % Retail	20.9	23.1	22.0	21.3	18.5
Class I Units - % Paper	70.6	70.7	73.3	73.3	71.9
- % Glass & Dispenser	29.4	29.3	26.7	26.7	28.1
% Producer Milk of Gross Class I	141.1	137.9	131.7	132.0	148.7
% Producer Milk Priced in Class I	66.5	66.9	69.1	74.7	66.4

PRODUCER MILK CLASSIFICATION  
(January thru June)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>June '61</u>	<u>May '61</u>	<u>June '60</u>
Number of Plants (Pool and Non-Pool)	17	19	19
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	460,329	499,382	390,059
% June '61 compared with:	100.0	92.2	118.0
Other Source Milk	8,548	20,253	8,706
Other Order Milk	58,310	23,402	7,897
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>527,187</u>	<u>543,037</u>	<u>406,662</u>
% June '61 compared with:	100.0	97.1	129.6
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	265,673	275,895	266,285
Fluid Skim	12,108	13,162	9,527
Buttermilk	38,316	36,506	39,406
Chocolate Milk	7,784	7,217	8,547
Cream Mixture ( $\frac{1}{2}$ & $\frac{1}{2}$ )	1,250	1,266	967
Light Cream (X)	375	408	541
Heavy Cream (XX)	661	1,130	677
Sour Cream	257	285	239
Bulk to Non-Handlers	29	53	902
Class I Shrinkage	745	991	759
Inventory Reclassification	(500)	(885)	(335)
Overstated Sales	-	(207)	-
Total Class I Milk	326,698	335,821	327,515
% June '61 compared with:	100.0	97.3	99.8
Class II Milk: (Used to Produce)			
Butter	6,031	15,729	1,158
Cottage Cheese	15,216	14,493	14,560
Powdered and Condensed Milk	126,767	138,655	32,981
Ice Cream	44,011	33,383	22,609
Inventory Variation	(5,650)	(6,429)	(3,124)
Other	14,114	11,385	10,963
Total Class II Milk	200,489	207,216	79,147
% June '61 compared with:	100.0	96.8	253.3
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u>	<u>527,187</u>	<u>543,037</u>	<u>406,662</u>
% Producer Milk of Gross Class I	140.9	148.7	119.1
% Delivered Base of Gross Class I	125.4	127.9	110.0
% Delivered Base Priced in Class I	78.7	77.2	89.5
% Producer Milk Priced in Class I	70.1	66.4	82.7

JULY 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>July '61</u>	<u>June '61</u>	<u>July '60</u>
Basic Formula (See page 4)	\$3.61	\$3.61	\$3.36
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.16)	(0.20)	0.14
Class I Price, 4.0% Butterfat	\$5.20	\$5.16	\$5.25
Per \$ 1000.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: May and June			
Supply: Lbs. Producer Milk (May 15,480,851 and June 13,809,852)			29,290,703
Demand: Lbs. Net Class I Milk (May 10,314,357 and June 9,693,609)			20,007,966
Utilization Percentage: Producer milk divided by Class I			146
Standard Utilization Percentage: Range 134-138			138
Net Deviation Percentage: Utilization minus Standard Utilization			plus 8
Supply-Demand Adjustment: 2 cents x 8 percentage points			minus \$0.16

Since the supply in relation to the demand is more than the desired standard, the price is decreased 16 cents per hundredweight (2 cents x 8 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR JUNE 1961  
Based on 17 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt.Price @ Test	Value
Gross Class I		9,800,951	3.486		
Less Other Source		123,795	1.773		
Producer Milk Class I	70.1	9,677,156	3.507642	\$4.771037	\$461,700.69
Gross Class II		6,014,653	5.017		
Less Other Source		1,881,957	3.552		
Producer Milk Class II	29.9	4,132,696	5.683965	4.288776	177,242.07
TOTAL PROD.(Cl.I + Cl.II)	100.0	13,809,852	4.158922		638,942.76
Add Fractional Adjustment					.04
Add Compensatory Payment Value					60.05
Add Overage Value					-
Add Inventory Reclassification Value					180.03
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					6,321.75
TOTAL VALUE AT TEST		13,809,852	4.158922		645,504.63
Less Test Over 4% @ 7.6¢ per point		13,809,852	.158922	0.120781	16,679.68
TOTAL PRODUCER MILK VALUE AT 4% TEST		13,809,852	4.0		628,824.95
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,518,556	\$3.11	\$47,227.09	
Total Excess Producer Milk		1,518,556	3.11	47,227.09	
Less Prod.-Settlement Fund Res. @ 4¢		1,518,556	.04		607.42
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,518,556	3.07		46,619.67
Value of Base Milk (Total less Excess)		12,291,296	4.731786		581,597.86
Less Producer-Settlement Fund Reserve		12,291,296	.041786		5,136.04
UNIFORM BASE PRICE f.o.b. PLANT - 4%		12,291,296	\$4.69		\$576,461.82

JUNE 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT  
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.93	\$2.31	4.0%	\$4.69	\$3.07	5.0%	\$5.45	\$3.83
3.05	3.968	2.348	4.05	4.728	3.108	5.05	5.488	3.868
3.1	4.006	2.386	4.1	4.766	3.146	5.1	5.526	3.906
3.15	4.044	2.424	4.15	4.804	3.184	5.15	5.564	3.944
3.2	4.082	2.462	4.2	4.842	3.222	5.2	5.602	3.982
3.25	4.12	2.50	4.25	4.88	3.26	5.25	5.64	4.02
3.3	4.158	2.538	4.3	4.918	3.298	5.3	5.678	4.058
3.35	4.196	2.576	4.35	4.956	3.336	5.35	5.716	4.096
3.4	4.234	2.614	4.4	4.994	3.374	5.4	5.754	4.134
3.45	4.272	2.652	4.45	5.032	3.412	5.45	5.792	4.172
3.5	4.31	2.69	4.5	5.07	3.45	5.5	5.83	4.21
3.55	4.348	2.728	4.55	5.108	3.488	5.55	5.868	4.248
3.6	4.386	2.766	4.6	5.146	3.526	5.6	5.906	4.286
3.65	4.424	2.804	4.65	5.184	3.564	5.65	5.944	4.324
3.7	4.462	2.842	4.7	5.222	3.602	5.7	5.982	4.362
3.75	4.50	2.88	4.75	5.26	3.64	5.75	6.02	4.40
3.8	4.538	2.918	4.8	5.298	3.678	5.8	6.058	4.438
3.85	4.576	2.956	4.85	5.336	3.716	5.85	6.096	4.476
3.9	4.614	2.994	4.9	5.374	3.754	5.9	6.134	4.514
3.95	4.652	3.032	4.95	5.412	3.792	5.95	6.172	4.552



## CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES 1/ Per Hundredweight				HANDLER CLASS PRICES 1/ Class I                      Class II			
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
June '60	\$4.83 2/	\$4.98	\$3.02	7.2¢	\$5.23	7.5¢	\$3.06	6.7¢
July	4.84 2/	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 2/	4.89	3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 2/	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 2/	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 2/	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	-	-	-	-	5.20	7.9	-	-

## PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.					
June '60	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number of Hdlr.Prod.	Deliveries Per Farm---Pounds			Prod. Milk Test%
	Gross Cl. I	Prod. Cl. I	Prod. Rpts.	Base Rpts.	Gross Rpts.		Prod.	Base	Exc.	
June '60	327,515	322,519	390,059	360,248	406,662	19 695	561	518	43	4.11
July	327,075	322,754	391,646	354,554	408,644	19 690	568	514	54	4.06
Aug.	336,437	331,519	406,758	-	425,433	19 700	581	-	-	4.07
Sept.	384,465	379,222	453,829	-	465,087	18 707	642	-	-	4.12
Oct.	357,470	352,238	461,276	-	475,398	18 702	657	-	-	4.32
Nov.	357,816	350,520	456,896	-	473,586	18 699	654	-	-	4.41
Dec.	348,283	341,170	441,649	-	462,660	19 693	637	-	-	4.47
Jan. '61	350,656	344,899	438,453	-	453,505	19 682	643	-	-	4.46
Feb.	360,128	354,274	441,259	-	459,046	19 680	649	-	-	4.32
Mar.	358,450	353,996	470,370	425,350	491,234	19 679	693	626	67	4.22
Apr.	345,341	340,710	500,199	433,593	524,575	19 679	737	639	98	4.17
May	335,821	331,836	499,382	429,582	543,037	19 679	735	633	102	4.17
June	326,698	322,572	460,329	409,710	527,187	17 676	681	606	75	4.16

1/ Excludes Premiums

2/ For statistics only

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base